

PLANNING FOR FINANCIAL SUCCESS 2012-13

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Missouri Department of Higher Education

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by degrees®*



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use throughout the
school year.





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“I would advise that incoming college students have a chosen field of interest.”

—Rodney Mays, *Lindenwood University*

Rodney Mays, a freshman at Lindenwood University, likes to dream big. When it comes to mapping out his career and educational goals, Rodney is quite aware of the immediate danger debt presents to his ability to afford future needs and wants. Rodney, who began charting his course to become a successful maxillofacial surgeon a few years ago, carefully weighed the pros and cons associated with using student loans to cover tuition expenses. Before embarking upon his academic career, Rodney visited with financial aid staff at Lindenwood and was able to set up a payment plan that excluded student loans. For college freshman and high school seniors looking to graduate with little to no debt, Rodney has a few words of wisdom to share. “I would advise that incoming college students have a chosen field of interest.” He adds, “That way, they do not have to spend any extra time or money on unnecessary classes.”



GWEN



KAPONO



SARAH



RODNEY



AUDRA



IHAMIE



KYLE



Do you HAVE A PLAN?

You've been dealing with money since you were a kid. From a meager allowance in fourth grade to that part-time job in high school, you've had plenty of experience handling basic money matters and balancing what you need, what you want, and what you can afford. Right?

Maybe. But you're an adult now and the game has changed. Along with its financial obligations, your journey to college also opens the door to financial freedoms you've never had before—opportunities that can come back to haunt you if you don't exercise good financial judgment along the way. College life is full of temptation to live beyond your means, so now, more than ever, you need a plan in place to make sure you remain on a smart financial path.

Take a look at the statements below. How many of the items can you truthfully check off?

- ☐ I have a budget that works for me.
- ☐ I use my credit card(s) wisely.
- ☐ I know how to apply for financial aid.
- ☐ I completely understand my student loans.
- ☐ I am aware of the consequences of defaulting on my student loans.
- ☐ I know ways to help avoid identity theft.
- ☐ I know how to request a free credit report.
- ☐ I understand my credit report.
- ☐ I know how to use financial calculators.
- ☐ I know how to live within my means.
- ☐ I have a healthy savings account.
- ☐ I have realistic expectations about my future salary.
- ☐ I balance my bank account regularly.
- ☐ I know the steps to take to clean up credit problems.

If the number of boxes you checked above—and your knowledge of financial fundamentals—is a bit low, let the topics featured in this planner guide you toward the world of “financial literacy” and a plan to help you make the most of your money and your future.

August 2012.....Planning for Financial Success

Sunday

Monday

Tuesday

Wednesday

Thursday

Friday

Saturday

¹Learn more about financing your education on
Pages 44-47.

²Save money whenever you can so you don't end up paying
for it later. See Pages 38-39.

³Tips for using credit cards responsibly can be found on
Pages 48-49.

FAFSA filing deadline
for Marguerite Ross
Barnett Scholarship for
the 2012-13 academic
year¹

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Are you ready to
live like a college
student?²

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Be smart when
approached by credit
card vendors.³

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September 2012.....Planning for Financial Success

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				¹ Know what's on your credit report; clean it up if necessary. See Pages 40-41. ² Using financial calculators is easy. See Page 52 for more details.		1
2	LABOR DAY 3	4	5	6	7	8
GRANDPARENTS DAY 9	Check your credit report through Equifax. ¹ 10	11	12	13	14	15
16	U.S. CONSTITUTION DAY 17	18	19	20	21	22
23 ----- 30	Use online calculators to help manage your money. ² 24	25	26	27	28	29

October 2012.....Planning for Financial Success

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8 COLUMBUS DAY	9	10	11 Are you keeping track of all your debit or student account transactions? ¹	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31 HALLOWEEN²	Did you know? If you smoke a \$4.50 pack of cigarettes a day, from age 18 to age 65, you'll send \$76,986 up in smoke!	¹ Banking in college doesn't have to be hard. Learn more on Pages 50-51. ² Halloween money saving tip: Make your own costume instead of buying one.	

November 2012.....Planning for Financial Success

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	Veterans and their families may be eligible for valuable postsecondary education benefits. To learn more, visit www.va.gov .			1	2	3
DAYLIGHT SAVINGS TIME ENDS 4	5	ELECTION DAY 6	7	8	9	10
VETERANS DAY ¹ 11	12	13	14	15	16	17
18	19	20	21	THANKSGIVING DAY 22	23	24
25	26	27	28	29	30	

December 2012.....Planning for Financial Success

Sunday

Monday

Tuesday

Wednesday

Thursday

Friday

Saturday

¹Creating a budget you can stick to is easy.
See Pages 34-37 for help.

²Get a realistic idea of your future salary (based on your field of study) on Pages 54-55.

If you graduate in December 2012, your grace period will start the day after you graduate. Information regarding student loan repayment plans can be found on Page 46.

Do you have a budget in place for the new year?¹

Any idea how much money you'll make after you graduate?²

2	3	4	5	6		1
9	10	11	12	13	7	8
16	17	18	19	20	14	15
23 30	24 31	CHRISTMAS DAY 25	26	27	21	22
					28	29

January 2013.....Planning for Financial Success

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	Check with your institution to verify their deadline for filing the FAFSA.	NEW YEAR'S DAY 1	File your 2012 taxes, and complete the 2013-14 FAFSA as soon as possible. ¹ 2	3	4	5
6	7	8	9	10	11	12
Check your credit report through TransUnion. ² 13	14	15	16	17	18	Attend a FAFSA Frenzy event near you. ³ 19
20	MARTIN LUTHER KING, JR. DAY 21	22	23	24	25	26
27	28	29	30	31		

¹Take advantage of financial aid opportunities. See Pages 44-47.

²Staying on top of your credit can help fend off identity thieves. See Pages 40-43.

³To find a FAFSA Frenzy site near you, visit www.masfap.org/showmetocollege/index.html.

February 2013.....

Financial Aid Month

www.fafsa.ed.gov

Sunday

Monday

Tuesday

Wednesday

Thursday

Friday

Saturday



First-time college students often need help getting their financial ducks in a row. If you fall into this category, free help is available at *FAFSA Frenzy*. Financial aid professionals will be on hand at locations throughout the state in February to help students and parents fill out the Free Application for Federal Student Aid. To see a complete list of FAFSA Frenzy locations in your area, visit the Missouri Department of Higher Education's website at dhe.mo.gov/ppc/fafsa_completion.php. *FAFSA Frenzy* is a program of College Goal Sunday.

dhe.mo.gov/ppc/fafsa_completion.php



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Check your campus calendar for free activities or entertainment.¹

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VALENTINE'S DAY²

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dhe.mo.gov/ppc/fafsa_completion.php

PRESIDENTS DAY

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¹Live like a college student with money saving tips on Pages 32-33.

²Send your sweetheart a homemade card or gift instead of an expensive one from a store.

March 2013.....Planning for Financial Success

Sunday

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Wednesday

Thursday

Friday

Saturday

¹Financial assistance programs are available to help you pay for college. For more information, visit www.dhe.mo.gov/ppc/grants.

²For ideas on making your savings grow, see Pages 38-39.

File your FAFSA by **April 1** to qualify for the Access Missouri Program.¹

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ST. PATRICK'S
DAY

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Start searching for summer employment or internship opportunities.²

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EASTER

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April 2013.....

Financial Literacy Month

www.financialliteracymonth.com

Sunday

Monday

Tuesday

Wednesday

Thursday

Friday

Saturday

Did you know? If you invest \$100 a month, starting when you're 18 and earn 5 percent on the money, compounded monthly, you will have \$228,415 when you're 65.

Did you file your FAFSA?¹

1	2	3	4	5	6
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13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30

Tax filing deadline

¹Your FAFSA must be filed by April 1 to qualify for the Access Missouri Program.

May 2013 Planning for Financial Success

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<div> <div>¹Speak to a professional credit counselor if you need help getting back on track. See Page 53.</div> </div>		<div> <div>For May 2013 graduates, Stafford Loan grace period will begin the day after you graduate and last for six months.</div> </div>	1	2	3	4
	5	6	<div> <div>TRUMAN DAY</div> </div> 8	9	10	<div> <div>Check your credit report through Experian¹</div> </div> 11
	<div> <div>MOTHER'S DAY</div> </div> 12	13	14	15	16	17
	18	19	20	21	22	23
	24	25	26	27	28	29
30	31					

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p>¹You only have to turn in the Free Application for Federal Student Aid once a year; however, your FAFSA is due to the federal government by June 30. To be eligible for the Access Missouri Program, your FAFSA must be submitted by April 1. Check with your school's financial aid office for their institutional deadline.</p>				<p><i>Stafford Loan repayment begins for December 2012 graduates.</i></p>		1
2	3	4	5	6	7	8
9	10	11	12	13	14 FLAG DAY	15
16 FATHER'S DAY	17	18	19	20	21	22
23 2012-13 FAFSA Deadline ¹	24	25	26	27	28	29

July 2013.....Planning for Financial Success

Sunday

Monday

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Thursday

Friday

Saturday

Did you know? If you save \$1 a day from your 18th birthday until your 65th birthday, and the money earns 5 percent, you will have \$69,232!

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INDEPENDENCE DAY¹

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The year is half over. How much have you put into savings?²

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¹Independence Day money saving tip: Attend a free, local fireworks display instead of purchasing them.

²Make saving happen. See Pages 38-39 to learn more.

Living like a college student

“Live like a college student now, so you don’t have to later.” It might seem a little cliché, but this expression provides some sensible advice.

Racking up debt without a solid financial footing can lead to disaster. While your debt may seem manageable at the moment, interest and finance charges have an ugly way of adding up. If you’re not able to pay off your debt each month, you may be forced to cut back later. While you may dream of making big bucks upon graduation, your best bet is not to spend your money as if you’ve already landed that great paying job.

There are some basic things you can do today to help ease the financial burden.

- **Be aware.** Keep track of everything running through your student account. Small purchases and fees may not seem like much, but the cumulative effect may leave you with less money than you were counting on.
- **Be smart with your credit cards and other lines of credit.** Charge only the amount you expect to be able to pay when the bill comes in each month, and never let anyone else borrow your card. Limit the number of accounts you have to one or two.
- **Learn to say “no” to your friends.** Chances are, others are also feeling a financial pinch, so, every once in a while, suggest an alternative that requires less (or no) money.
- **Talk to your roommate(s) about money matters.** Make sure it’s clear up front what each person’s responsibilities are. Know what’s shared and what’s up to you to provide or contribute. Discuss everything from rent and utilities to food and incidentals.
- **If you live on campus, choose the meal plan that’s best for your needs.** There’s no point in paying for meals you won’t be eating. If you live off campus, make the trip to the grocery store and stock up before you blow all your money on fast food.
- **Take advantage of student discounts** and ask around for special student offers. It usually involves no greater effort than flashing your school ID card.
- **Avoid rent-to-own stores, pawn shops, and check cashing stores.** The instant gratification you may get from using these establishments is sure to be overshadowed by the increased cost you pay for doing business with them.

- **If you’re thinking about moving** from campus housing to an off-campus apartment or house, make sure you weigh all the costs of off-campus living. Consider more than just the cost of rent. Security deposits, utilities, food, cooking supplies, cleaning materials, insurance and basic household items should all factor into the decision and your future budget.
- **Visit with your school’s student employment office** to find a job on campus that fits within your schedule. Campus jobs often have flexible work hours and save you the expense of commuting to an off-campus location. A campus job that relates to your major can also be a nice addition to your resume.
- **Steer clear of regularly using expensive vending machines.** Spending just a dollar a day in vending machines during a four-year degree program adds up to \$1,461. Purchasing the same volume of snacks from a grocery store would cost about \$432. This is a savings of more than a thousand dollars.

Budget Worksheet

Income	Monthly	Annual
Savings, Family Contribution and Gifts		
Income – employment earnings, college work-study, nontaxable income and other		
Grants – federal, state, and/or private assistance that does not have to be repaid, such as the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and awards from the Access Missouri Program		
Scholarships – state, institutional, or private assistance that does not have to be repaid, such as tuition waivers/credits, stipends, assistantships/fellowships, and the Bright Flight Program		
Loans – the Federal Perkins Loan, Federal Stafford Loan, Federal PLUS Loan, and institutional and private loans that must be repaid		
Miscellaneous Financial Aid – assistance received from other sources, such as vocational rehabilitation, etc.		
TOTAL Income \$		
Expenses	Monthly	Annual
Savings Plans		
Educational – tuition, fees, books and supplies		
Housing – rent/mortgage, utilities, phone, and groceries or meal plan		
Transportation – car payment, fuel, maintenance, repairs, or public transportation		
Personal – household supplies, clothing, dry cleaning/laundry, etc.		
Insurance – medical, life, car and personal property insurance		
Discretionary – entertainment, gifts (e.g., charities, holidays) and membership fees		
Miscellaneous – child care, alimony or support, installments (e.g., credit cards) and emergencies		
TOTAL Expenses \$		
Discretionary Income	Monthly	Annual
TOTAL Income \$		
– (Minus) TOTAL Expenses \$		
= (Equals) Remaining Funds \$		

What's your student budget?

Creating and using a budget

Sure, sticking to a budget isn't always easy. But it's the best way to make sure your money goes toward the expenses that matter most to you.

Create your own budget using these simple steps:

1. **Know how much money you have coming in.**

Determine your available income—the amount of your take-home (net) pay. Include wages, help from family, financial aid and other earnings.

2. **Know how much money you have going out.**

Include tuition, room and board, books, fees, utilities, transportation costs, insurance and personal or discretionary expenses. To estimate your personal expenses, review your bank statements, credit card statements and receipts to see exactly where your money is going. Watching the numbers add up in black and white can be very enlightening, with small items like music downloads, lattes and text messages impacting your bottom line more than you may have predicted.

Don't forget to build in a way to grow your savings. Cash might be tight, but saving—even a little at a time—can really add up when interest is compounded over the years. Get in the habit now, and keep it up to reap financial rewards down the line.

Use the budget worksheet on Pages 34-35 if you need help.

3. **Establish a budget that works for you.**

Think of your budget as a “spending plan,” a way to be aware of how much money you have, where it needs to go, and how much is left over. Your budget should meet your “needs” first, then the “wants” that you can afford.

Naturally, the goal is for your expenses to be less than your total income. If your income doesn't cover your expenses, you'll need to adjust your budget (and your spending!) by deciding which expenses can be reduced.

4. **Be realistic. Keep it simple. Give it time.**

Don't cut basic necessities or make your budget so restrictive that it becomes a chore instead of a useful tool. Hang in there and your budget will prove itself over the long term.

Putting money into savings

Taking charge of your finances should also involve regular contributions to a savings plan.

As a college student, you may feel you're merely trying to get by one semester at a time, however, even small contributions made on a regular basis will work to your benefit. And the younger you start, the better off you'll be—in terms of the smart habits you create and the amount of money you'll earn because of those habits.

Simply put, establishing a savings account is the best way to handle both the uncertainties of life (such as job loss or medical expenses) as well as to reach your financial dreams (like a car, travel, or retirement).

Make it happen by paying yourself first.

- When you receive your paycheck or other money, deposit or electronically transfer a portion of the funds into your savings account.
- Ask your employer to directly deposit some of your earnings into your savings account.
- Save loose change in a jar and set a goal for how much you want to gather. At the end of each month, deposit your collection into your savings account.

Watch your savings grow.

Routinely saving money means your money is actually making you money while interest accumulates. Even very small sums of money add up... over time... with interest. The interest that you earn today is added to your savings total and therefore further increases the amount of interest you earn in the future.

Get a jump start on fall tuition by landing a summer job or paid internship.

Money earned during summer months presents a golden opportunity to save for college expenses. Make arrangements to have some of your paycheck deposited into a “back-to-school” savings account. By completing this simple task, you may dispel the need to take out additional loans.

Reviewing your credit report

Your credit report is a collection of information about you and your credit history, and it can have a major impact on your life. The three credit reporting agencies are Equifax, TransUnion and Experian.

Know whether you have a credit report. If you have ever applied for any of the following, you have a credit report:

- Credit card
- Student loan
- Auto loan
- Mortgage

Understand who looks at your credit report.

- Potential creditors
- Landlords
- Potential and current employers
- Government licensing agencies
- Insurance underwriters

Know what these entities are asking.

- How promptly do you pay your bills?
- How many credit cards do you hold?
- What is the total amount of credit extended to you?
- How much do you owe on all of your accounts?

Be aware of the consequences of credit mistakes.

Any negative information found on your credit report (late payments, bankruptcies, too much debt) can have a serious impact on your ability to:

- Get credit
- Get a new job
- Advance in your current job
- Rent or buy a home

Know what is on your credit report.

- Personal identifying information - Name, Social Security number, date of birth, current and previous addresses, and employers
- Credit account information -date opened, credit limit, balance, monthly payment and payment history
- Public record information - bankruptcy, tax and other liens, judgments, and, in some states, overdue child support
- Inquiries - companies that requested your credit report

Know what is not on your credit report.

- Checking or savings account information
- Medical history
- Race
- Gender
- Religion
- National origin
- Political preference
- Criminal record

Be aware of how long information stays on your report.

- Positive information - indefinitely
- Inquiries - six months to two years
- Most negative information - seven years
- Some bankruptcies - 10 years

Request your free credit report. You're entitled to one free credit report a year from each of the three credit reporting agencies. You may request your free credit report at www.AnnualCreditReport.com. Beware websites with similar names that may require you to subscribe to a service in order to receive your "free" credit report.

Check your three credit reports at least once a year.

Make sure the information is accurate, and be sure to report information that is not. You can check all three at once, or one at a time throughout the year.

Know your credit score. Your credit report is free, but you usually have to pay to receive a credit score. You will be given an opportunity to purchase your credit score when requesting your free credit report. A credit reporting agency evaluates various components of your credit history to determine your credit score, including:

- Payment history
- Outstanding credit owed
- Length of time your credit has been active
- Types of credit you have
- Acquisition of new credit

Improve your credit score. If you've had financial problems, take these steps to clean up your credit. It takes some time, but it will be well worth the effort.

- Pay off your current debt
- Make your payments on time
- Don't sign up for any new credit cards
- Stop using your credit cards for new purchases
- Keep your oldest account open, even if you no longer use it

Preventing identity theft

Identity theft is the fastest growing crime in the U.S. Perpetrators use someone else's personally identifying information to commit fraud, including borrowing money in another person's name. Victims of identity theft often face debt and credit problems that require extensive time and effort to sort out.

Millions of Americans have fallen victim to identity theft. The stereotypical college student who is careless with personal information and unaware of credit changes can be an enticing mark for a would-be identity thief. Don't become a statistic!

Keep your information safe.

- Protect your Social Security number. Don't carry your Social Security card in your wallet or write your Social Security number on a check. Give it out only if absolutely necessary (you can always ask to use another identifier).
- Don't give out personal information on the phone, through the mail, or over the Internet unless you know who you're dealing with. Never click on links sent in unsolicited email messages. Instead, type in a Web address you know.
- Shred financial documents and paperwork with personal information before you discard them.
- Use firewalls, anti-spyware and anti-virus software to protect your home computer—and keep them up to date.
- Don't use an obvious password like your birth date, your mother's maiden name, or the last four digits of your Social Security number.
- Keep your personal information in a secure place at home, especially if you have roommates, employ outside help, or are having work done in your house.
- If you pay bills by mail, send your payments through a postal mailbox instead of leaving it for a carrier in your home mailbox.

Monitor your financial information.

Review your various financial accounts and statements on a regular basis. Request a free copy of your credit report at www.AnnualCreditReport.com every year and review it. Be alert for things that require immediate attention:

- Purchases you did not make
- Bills that do not arrive as expected
- Unexpected credit cards or account statements
- Denials of credit for no apparent reason
- Calls or letters about purchases you did not make

Act quickly when you suspect identity theft.

Review the Federal Trade Commission's *Guide to Assisting Victims of Identity Theft* at www.ftc.gov/bcp/edu/microsites/idtheft for detailed information to help you deter, detect and defend against identity theft.

You should also understand identity theft as it relates to student loans. For instance, a federal student loan may be cancelled if it was falsely certified as a result of the crime of identity theft.

Financing your education: Financial aid

A variety of financial assistance programs are available to help Missouri students finance their dreams of a college education.

Explore all your options. Every year.

Before you commit to the financial obligations that come with a student loan, investigate other alternatives that do not have to be paid back.

Scholarships, grants and work-study assignments are available to students of all ages and backgrounds. Financial assistance can be based on your financial need, scholastic abilities, civic involvement, athletic skills, or even religious affiliation. Look into all forms of aid from state, federal, school and local sources each year you're in school.

Find out if you qualify for financial aid.

The state of Missouri, the federal government and postsecondary institutions all provide financial assistance to eligible students. The first step for most of these programs is to complete and file a Free Application for Federal Student Aid.

Submit your FAFSA (www.fafsa.gov) as soon as possible after January 1 each year. You must file before April 1 to qualify for the Access Missouri program. Check to see if your institution has an earlier deadline. Other Missouri state aid programs may have different deadlines. Visit www.dhe.mo.gov/ppc/grants/ for more information.



First-time college students often need help getting their financial ducks in a row. If you fall into this category, free help is available at FAFSA Frenzy. Financial aid professionals will be on hand at locations throughout the state in February to help students and

parents fill out the FAFSA. To see a complete list of FAFSA Frenzy locations in your area, visit the MDHE's website at www.dhe.mo.gov/ppc/fafsa_completion.php. FAFSA Frenzy is a program of College Goal Sunday.

Federal Student Aid programs (www.studentaid.ed.gov) include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Teacher Education Assistance for College and Higher Education Grant (TEACH Grant), Iraq and Afghanistan Service Grant, Federal Work-study, Perkins Loans, Direct Stafford Loans, PLUS Loans (Parent Loans), and PLUS Loans for graduate and professional degree students.

The Missouri Department of Higher Education also administers several financial assistance programs (www.dhe.mo.gov/ppc/grants/) including A+ Scholarship Program, Access Missouri Program, Advanced Placement Incentive Grant, Bright Flight Program, Kids' Chance Program, Marguerite Ross Barnett Program, Minority Teaching Scholarship, Minority and Underrepresented Environmental Literacy Program, Public Service Officer Survivor Grant, Vietnam Veteran's Survivor Grant and Wartime Veteran's Survivors Grant.

Know what it takes to keep your financial aid.

Be aware of grade point average, enrollment status, and other requirements that must be met in order for you to keep receiving financial assistance each year. Don't forget, your FAFSA must be filed annually.

Identify and follow up on scholarship opportunities.

- Do as much research as you can, and apply for every scholarship for which you think you may be eligible.
- Meet deadlines! Most programs have limited funding and may not even consider late applications.
- Don't overlook scholarships within your major.

Beware scholarship scams.

- Always read the fine print, and make sure you understand all terms and conditions before accepting any award.
- Be wary of companies that "guarantee" you'll receive a scholarship, especially if their offer was unsolicited or they require that you pay money for their services.
- Never provide any confidential or personal identifying information (including credit card and bank account numbers, your Social Security number, etc.) to an unfamiliar person or organization.
- Contact the financial aid office at your college with any questions or concerns.
- Learn more about financial aid scams at the Federal Trade Commission's Scholarship Scams website at www.ftc.gov/bcp/conline/edcams/scholarship/index.shtml.
- Be aware of financial aid websites such as FAFSA.com. These sites do not serve the same purpose as the official FAFSA website and may charge a usage fee. Remember, the FAFSA is FREE!

Financing your education: Student loans

College can be expensive. Your objective is to limit the amount of student loans you have to borrow, and ultimately, pay back.

Plan ahead. Explore federal, state, and institutional financial assistance before turning to loans. Submit the Free Application for Federal Student Aid each year as soon as possible after January 1 to make sure you don't miss opportunities to take advantage of any of these programs.

(www.fafsa.gov)

If you decide to take out a student loan, use federal loans first because fees and interest rates tend to be lower and are capped. Consider alternative or private loans only as a last resort.

You have the right to reject a portion or all of the loan amounts presented in your financial aid award letter. Borrow only what you need, and follow an academic plan to reduce unnecessary costs that come with dropped classes or courses that will not apply to your degree.

Remember, when you receive a student loan, you agree to repay the loan even if you do not graduate, are unable to obtain employment, or are not satisfied with your education.

To learn more about student loans, visit www.dhe.mo.gov/ppc/studentloans.

Repayment Plans

Your loan holder should inform you of your repayment terms before you enter repayment. Your account will be placed on a Standard Repayment plan unless you request a different plan from your loan holder. There are a variety of repayment plans available. If you are considering another repayment plan, ask your loan holder which option is best for you.

- Standard Repayment
- Extended Repayment
- Graduated Repayment
- Income Based Repayment (IBR)
- Income Contingent Repayment (ICR) (Direct Loans only)
- Income-Sensitive Repayment Plan (FFELP Loans only)

There are no penalties for pre-paying your student loans before they officially go into repayment. For more information on these repayment plans, visit <http://studentaid.ed.gov/PORTALSWebApp/students/english/OtherFormsOfRepay.jsp>.

Managing your student loans

Keep records regarding your loan(s). Make copies of all letters, cancelled checks, receipts, and any forms you sign. Contact your financial aid office to request the

Missouri Department of Higher Education's *College Portfolio*. This publication was designed to help students keep track of college-related documents (e.g., Master Promissory Notes, scholarship letters and applications, aid applications, etc.)

If you have a *subsidized Stafford loan*, the federal government will pay the interest on that loan while you're continuously enrolled at least half time, in your six-month grace period, or in deferment.

However, if you have a *unsubsidized Stafford loan*, interest will begin accruing immediately after the first disbursement. It will continue to accrue until the principal balance of the loan is paid in full. So, while it's not mandatory, you're encouraged to make interest payments on unsubsidized Stafford loans while you're still in school. If you do not, the loan will cost you significantly more in the long run.

Be sure to contact your loan holder about any changes in your status or anything that may affect your ability to repay your loan. These changes include transferring to another school, changing your name or address, leaving school, or graduating.

Once you have borrowed a student loan, use the National Student Loan Data System at www.nslds.ed.gov to access your student loan account and determine your total debt. You may also retrieve this information by calling 800-4-FED-AID. You will need your FAFSA PIN to access your NSLDS records (www.pin.ed.gov).

Avoiding default

No one plans to default on a loan, but it does happen. Communication with your loan holder and the use of smart financial practices will help steer you away from such a situation. Unlike consumer debt, there is no statute of limitation on collecting federal student loan debt. Defaulting on a student loan can result in:

- Damage to your credit rating
- Garnishment of your wages
- Withholding of your state or Federal Treasury payments (including tax refunds, Social Security benefits, etc.)
- Loss of professional licenses
- Civil lawsuit, with liability for court costs and/or legal expenses
- Loss of deferment entitlements and flexible repayment options
- Loss of eligibility for further financial aid
- Referral of your account to a collection agency, with liability for collection costs.
- Requirement to pay the loan(s) in full
- Denial of employment by a government agency
- Hold placed on your official college transcript

Using credit cards responsibly

Getting a credit card is easy. In fact, sometimes it can be too easy and college students are often targeted by credit card vendors.

Lured by promises of financial independence, many students fail to realize the obligation that goes along with having a credit card or overestimate their own ability to act responsibly when faced with spending temptation.

Keep the following items in mind for responsible credit card use:

Understand that any time you use a credit card, you're borrowing money. If you don't pay off your balance each month, interest will be added to the total amount you owe. (Do you really feel like paying interest on a pizza you ate three months ago?)

Think before getting your first credit card. Do you really need a credit card or would another option work just as well? Some other options to think about:

- Debit card - deducts charges directly from your checking account so you only spend money you have.
- Secured credit card - works similar to a credit card, except that a savings account is established specifically for the card to make payments if you do not.
- Waiting. Just put off the decision for six months or a year and see how well you do without a credit card.

Choose wisely. When selecting a credit card, you should shop around for the best deal. Compare different cards based on your own situation. Look for the following:

- A low annual percentage rate. The lower the rate, the less interest you have to pay. Avoid teaser rates (low introductory rates that are raised after a year or less).
- The interest calculation method. This affects how much interest you pay, even when the APR is identical.
- Low or no annual fees. If the issuer charges an annual fee, ask them to waive it.
- All other charges (late payment fees, transaction fees, over-the-limit fees, etc). These can really add to the total cost of your charges.

- A grace period. Some credit cards charge interest from the day that the charges appear on your account. Other cards offer a grace period for you to pay off your balance before interest charges begin to accrue.
- The credit limit. Keep your credit limit low (think about \$500 or less) to make sure you don't get in over your head.
- Services and features, such as cash rebates, frequent flyer miles, extended warranties, etc. Think carefully about the true cost of these programs when you consider interest and other charges.

Keep just one card. It will be easier to keep tabs on your spending.

Think about ways you can track your expenses. Waiting until your statement arrives each month to think about your balance can get you into trouble.

- Check your account online frequently.
- Save receipts.

Keep a record of the following in case your card is lost or stolen. Even better, keep a photo copy of the front and back of your card in a safe place at home.

- Account number
- Issuer's name
- Phone number

The bottom line: **Don't spend more than you can afford to pay on a monthly basis.** Wise use of your credit cards will help you establish a solid credit rating and avoid financial problems.

Find a credit card that best fits your financial needs at **www.bankrate.com/credit-cards.aspx**.

Banking at college

You probably already have a checking account and some experience using a debit card. And though the ground rules for maintaining your account while you're at school are pretty much the same as they are at home, there are a few pointers that can help keep you on track as you adjust to college life.

Record all transactions immediately.

It's crucial that you keep track of every single purchase, payment, and cash withdrawal you make. Forgetting may mean the difference between having enough money to get through to the end of the month and coming up short.

Even if you bank online, filling out your checkbook's register with each transaction is the best way to stay on top of your money. Checking your balance online (and often) is encouraged, but don't automatically assume the account balance you see on your ATM receipt or your bank's website is up to date and accurate. Checks you have written, electronic payments, and other money transfers may not be processed instantly. For example, the debit card transaction you used to put gas in your car on Saturday night might not show up on your account records until the following Monday or Tuesday. If you rely on the balance you see on Sunday, you may run into trouble.

Watch for ATM fees.

If your checking account is with your hometown bank, you need to know if you'll be charged a service fee for using other banks' ATMs. If your bank doesn't have a branch or affiliate location you can access at school, you may want to consider getting a local account if you anticipate heavy ATM activity.

Be aware of other fees.

Debit cards are widely accepted just about anywhere credit cards are honored. However, you should be aware of the small print associated with your card. Some accounts charge a fee for using a debit card as a debit transaction at particular stores or gas stations. If this is the case with your account, treating such a purchase as a credit transaction (when swiping your card) may help you avoid the fee.

Safeguard your account information.

Sign the back of your debit card, memorize your unique personal identification number, and keep the card in a safe place that only you have access to. Remember, grabbing the card (or your checkbook for that matter) and sticking it in your back pocket on the way out the door is asking for it to get lost and increases the possibility that your account will be compromised or even completely wiped out.

You should also beware "phishing" expeditions that seek to gain your personal information online. Be alert if you receive an email that looks like it's from your bank regarding your account. Never click on the link within the email message, and never provide details about your account. Your bank already knows this information and will not ask that you email sensitive data to them. If you question an email, contact your bank directly to verify its authenticity.

Balance your account regularly.

Balancing your account every month with your bank statement is an ideal way to help you keep track of your money and to verify that the information you have tracked is accurate.

Refreshing your financial literacy skills

Everyone's financial situation is unique, and sometimes it seems like too much information to keep track of. Analyzing the options to see which are best for your personal circumstance can be daunting.

Here's where your financial literacy skills come into play. If you completed a personal finance course in high school, you should be aware of the impact sound money management skills can have on the life you're planning.

If you bypassed personal finance in high school or if you need a refresher, there are a variety of avenues in which you can go about learning the basics. For example, if you're interested in using online tools, Visa and the National Football League have teamed up to help teach financial concepts with Financial Football (www.practicalmoneyskills.com/games/trainingcamp), a fast-paced, interactive, multiple-choice question game. Students can earn yardage and score touchdowns by answering financial questions provided in four training camp lesson modules.

- Module 1: The Fundamentals of Investment
- Module 2: Strength Training
- Module 3: Defensive Spending
- Module 4: The Game Plan

To better assist you in your plan to manage money the smart way, the Missouri Department of Higher Education has compiled a list of online calculators.

Budget & Goals

www.practicalmoneyskills.com/calculators

Developing a spending and savings plan can help you live within your means. It can also help you plan for the future. Use the budget calculator to take an objective look at your income and expenses to create a plan that will best help you meet your financial goals.

Student Loan Calculator

<http://mappingyourfuture.org/paying/standardcalculator.htm>

Estimating your future federal student loan payments is quick and easy when you enter your number of monthly payments, the simple interest rate associated with your loan, and the principal amount you borrowed.

Savings & Investments

www.practicalmoneyskills.com/calculators

The accumulation of interest will show you just how valuable saving and investing can be. Whether you're looking to save a million or planning to invest your money, these calculators will show you how much your account will be worth in the future, including the amount of interest earned.

Getting help when you need it

Maybe you've tried everything, but you're still having difficulty paying your bills on time. It may be time to speak to a professional credit counselor.

Consumer credit counseling calls and sessions are confidential. A credit counselor can help you deal with:

- Financial responsibilities
- Creditor calls
- Pending consumer legal action against you
- Purchasing a home
- Bankruptcy
- Repairing and rebuilding your credit
- Reading credit reports
- Getting back on the road to financial success

Credit and debt counseling agencies are independent, nonprofit, community-service agencies whose services are available to all members of the community. They don't work for a collection agency, bank, creditor, or U.S. Marshall's Office. Those that are members of national organizations, such as the Association of Independent Consumer Credit Counseling Agencies or the National Foundation for Credit Counseling have strict standards to protect your interests. Many states license these agencies for your protection.

To contact a credit and debt counseling agency, visit yellowpages.com and search for "credit and debt counseling" or contact the AICCCA (www.aiccca.org) or NFCC (www.nfcc.org). Be sure you choose a nonprofit organization.

Determining your future salary

Does your financial plan include a realistic idea of the salary you will be earning after college? Get a feel for the type of salary it will take to live the life you're planning. Log on to the Missouri Connections website (www.missouriconnections.org) today! *Occupational Profiles* provide both the state and national salary averages for a number of professions. Interested in more than one career path? Consider job shadowing professionals employed in the fields that interest you. This may aid in narrowing down your career choices.

As you begin making long range goals for your future and your finances, it might be helpful to take a look at some Missouri averages. This chart shows salary information for the top 30 employing occupations within our state. These are not necessarily the top paying professions, just the ones where the most Missourians are employed.

Some fields pay more than others, of course, and wages vary from employer to employer and across different geographic regions, as does the cost of living throughout the state. Having a clear idea of your earnings potential, however, can help lead you toward sound financial decisions.

In looking over the top 30 employing occupations in Missouri, you may not see your future career listed. Not to worry. This data looks at the employment pool as a whole and includes both careers that require a college education and those that do not. With so many career options available, it could be that your chosen career just didn't make the top 30 employing occupations in terms of raw numbers.

The point is, look ahead. Have reasonable expectations about your future income so that you can make practical financial choices that you'll be prepared to live with in the years to come.

Top 30 employing occupations in Missouri

The information below is listed according to the number employed in each occupation during calendar year 2010. The full report is available at www.missourieconomy.org/OesWage/Default.aspx.

Occupation	Number Employed	Annual Wage (mean)
Production Occupations	183,440	\$32,710
Transportation and Material Moving Occupations	177,380	\$31,400
Healthcare Practitioners and Technical Occupations	173,950	\$61,850
Business and Financial Operations Occupations	118,890	\$59,620
Management Occupations	108,000	\$93,710
Installation, Maintenance and Repair Occupations	102,730	\$40,540
Construction and Extraction Occupations	99,780	\$47,280
Building/Grounds Cleaning and Maintenance Occupations	84,340	\$23,270
Healthcare Support Occupations	81,470	\$24,320
Retail Salespersons	77,740	\$24,840
Combined Food Preparation and Serving Workers	77,270	\$17,590
Cashiers	73,620	\$19,080
Personal Care and Service Occupations	71,720	\$22,070
Computer and Mathematical Occupations	70,530	\$69,300
Registered Nurses	66,810	\$59,140
Office Clerks/General	65,520	\$28,580
Protective Service Occupations	56,740	\$35,630
Waiters and Waitresses	49,230	\$19,320
Customer Service Representatives	44,860	\$30,670
Janitors and Cleaners, Except Maids and Housekeeping	42,730	\$22,590
Nursing Aides, Orderlies and Attendants	40,220	\$21,890
Truck Drivers, Heavy and Tractor-Trailer	39,540	\$38,450
General and Operations Managers	38,720	\$92,270
Community and Social Services Occupations	37,160	\$38,080
Architecture and Engineering Occupations	36,420	\$68,280
Arts, Design, Entertainment, Sports and Media Occupations	35,820	\$43,900
Laborers and Freight, Stock and Material Movers and Hand	35,550	\$25,490
Stock Clerks and Order Fillers	33,680	\$22,910
Bookkeeping, Accounting and Auditing Clerks	32,800	\$32,580
Secretaries, Except Legal, Medical and Executive	31,740	\$28,350
TOTALS	2,188,400	\$39,190

Choosing your career

Before choosing a career, think about what kind of education or training that is associated with that career. Use the Missouri Department of Higher Education's Program Inventory (<http://higherred.mo.gov/ProgramInventory/search.jsp>) to compare colleges/universities, technical schools or training centers that offer the degree or certification related to the career you are interested in pursuing. Determine how much your education will cost compared to how much salary you will earn.

The Missouri Department of Economic Development issued a report, "Career Grades 2008-18," which shows which occupations have the best outlook over the next decade. Occupations are graded A through F. The grades are based on a combination of job openings, percent growth, and the average wages of an occupation.

Use the following charts to determine which occupations have the most job openings, the average annual salary, and the education required. The "Grade A" jobs have a well-above average number of openings, a well-above average growth rate, and a well-above average salary.

The Missouri Career Grades Report can be found at www.missourieconomy.org/pdfs/2008-18_career_grades.pdf.

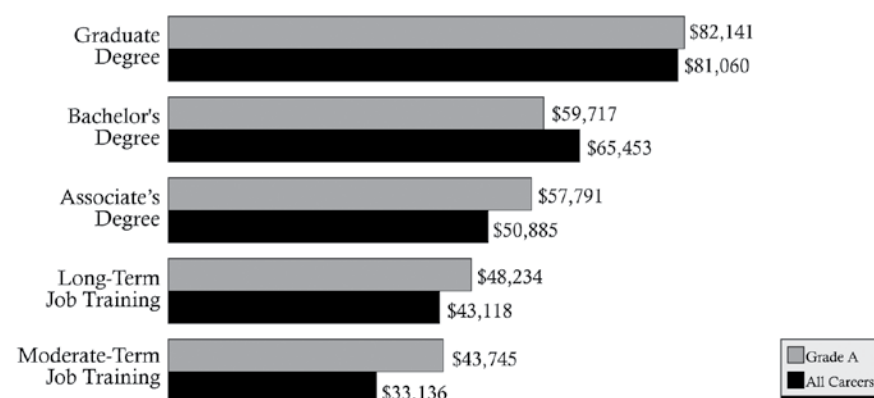
Top Grade A Occupations

Now	Openings	Average Wage
Dental Assistants	2,019	\$33,100
Locomotive Engineers	401	ND

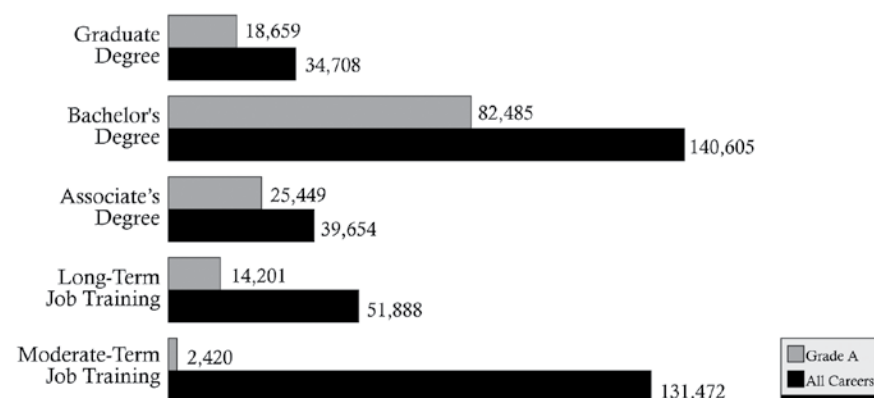
Next	Openings	Average Wage
Registered Nurses	21,029	\$56,667
Licensed Practical & Licensed Vocational Nurses	7,815	\$34,178
First-Line Supervisors/Managers of Office & Administrative Support	5,946	\$47,297
Police & Sheriff's Patrol Officers	3,890	\$41,148
Sales Representatives, Services, All Other	3,200	\$56,813

Later	Openings	Average Wage
Elementary School Teachers	10,341	\$43,715
Secondary School Teachers	7,972	\$42,765
Accountants & Auditors	7,184	\$58,199
Insurance Sales Agents	5,859	\$54,165
Middle School Teachers	4,700	\$43,418

Average Annual Wage for Grade A Careers



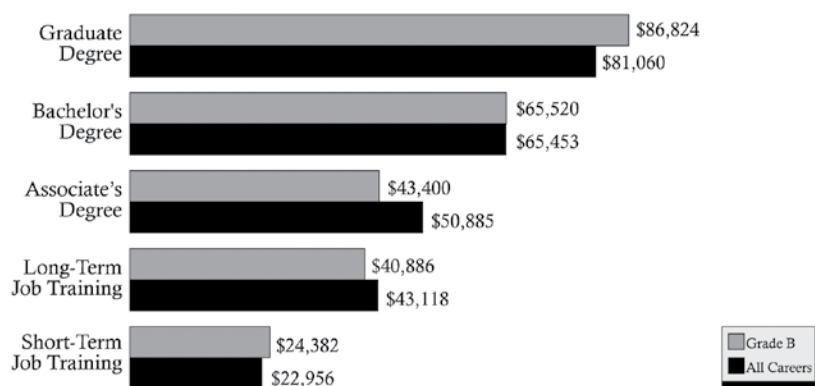
Total Openings for Grade A Careers



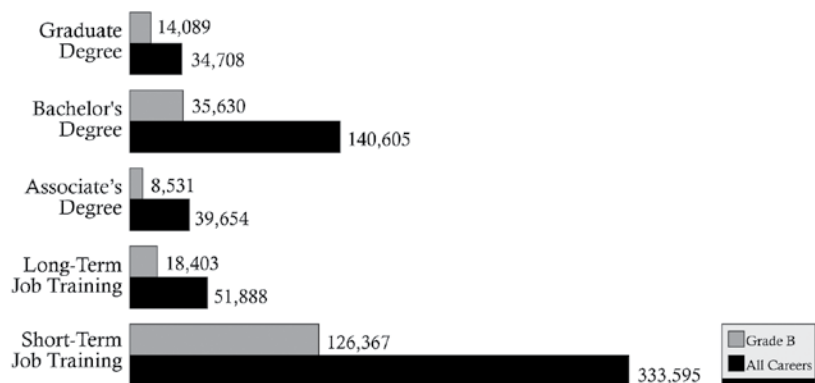
Top Grade B Occupations

Now	Openings	Average Wage
Retail Salespersons	27,281	\$24,979
Customer Service Representatives	18,469	\$30,986
Office Clerks, General	13,810	\$27,724
Truck Drivers, Heavy & Tractor-Trailer	10,228	\$38,108
Child Care Workers	10,112	\$19,041
Next	Openings	Average Wage
Sales Representatives, Wholesale & Manufacturing	7,889	\$57,744
Nursing Aides, Orderlies, & Attendants	7,768	\$21,661
Cooks, Restaurant	6,552	\$21,307
First-Line Supervisors/Managers of Retail Sales Workers	5,688	\$39,020
Executive Secretaries & Administrative Assistants	4,234	\$41,896
Later	Openings	Average Wage
Teachers & Instructors	4,473	\$29,061
Lawyers	2,153	\$107,784
Management Analysts	1,500	\$71,384
Medical & Public Health Social Workers	1,488	\$40,878
Kindergarten Teachers	1,370	\$42,023

Average Annual Wage for Grade B Careers



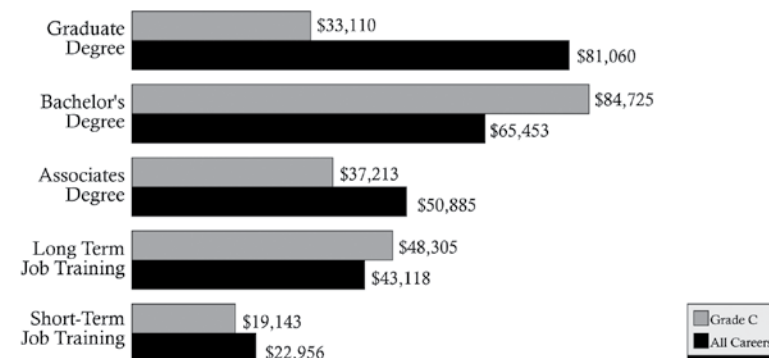
Total Openings for Grade B Careers



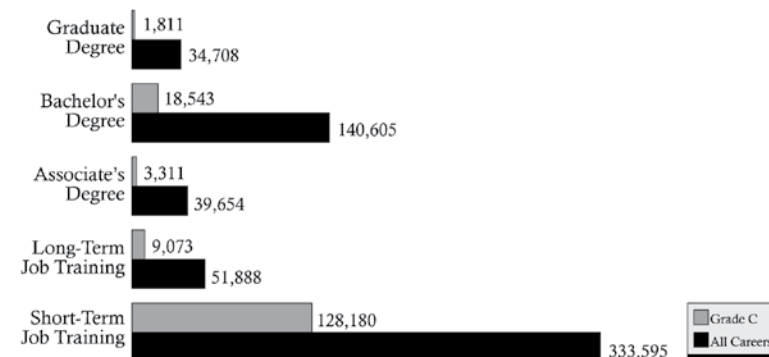
Top Grade C Occupations

Now	Openings	Average Wage
Cashiers	36,457	\$18,045
Waiters & Waitresses	29,430	\$17,928
Combined Food Preparation & Serving Workers	22,766	\$16,870
Counter Attendants, Cafeteria, Food Concession, & Coffee Shop	6,381	\$17,951
Dishwashers	5,019	\$17,082
Next	Openings	Average Wage
Welders, Cutters, Solderers, & Brazers	3,101	\$33,031
Electricians	3,047	\$53,111
Hairdressers, Hairstylists, & Cosmetologists	1,876	\$24,570
First-Line Supervisors/Managers of Production & Operating Workers	1,613	\$50,831
Medical Records & Health Information Technicians	1,455	\$30,663
Later	Openings	Average Wage
General & Operations Managers	9,233	\$96,029
Chief Executives	2,130	\$149,078
Computer Programmers	1,816	\$66,946
Graphic Designers	1,557	\$43,373
Rehabilitation Counselors	884	\$32,561

Annual Average Wage for Grade C Careers



Total Openings for Grade C Careers



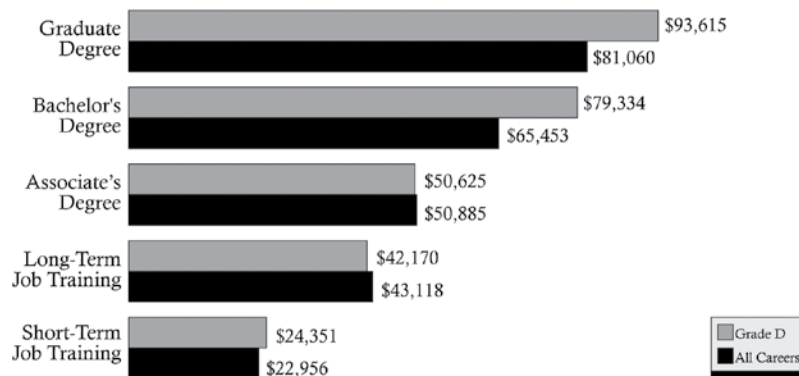
Top Grade D Occupations

Now	Openings	Average Wage
Laborers & Freight, Stock, & Material Movers	13,520	\$25,714
Janitors & Cleaners, Except Maids & Housekeeping Cleaners	9,081	\$22,170
Team Assemblers	7,211	\$26,474
Maids & Housekeeping Cleaners	5,944	\$19,393
Industrial Truck & Tractor Operators	4,700	\$28,726

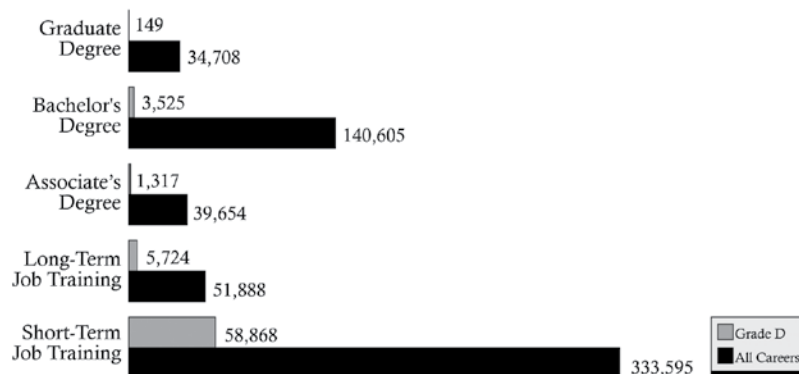
Next	Openings	Average Wage
Machinists	1,290	\$35,627
Psychiatric Technicians	1,263	\$23,875
Bus & Truck Mechanics & Diesel Engine Specialists	1,239	\$39,635
Automotive Body & Related Repairers	934	\$45,142
Butchers & Meat Cutters	841	\$26,231

Later	Openings	Average Wage
Appraisers & Assessors of Real Estate	374	\$39,744
Recreational Therapists	361	\$31,935
Surveyors	323	\$47,253
Airline Pilots, Copilots, & Flight Engineers	323	ND
Purchasing Managers	314	\$94,665

Average Annual Wage for Grade D Careers



Total Openings for Grade D Careers



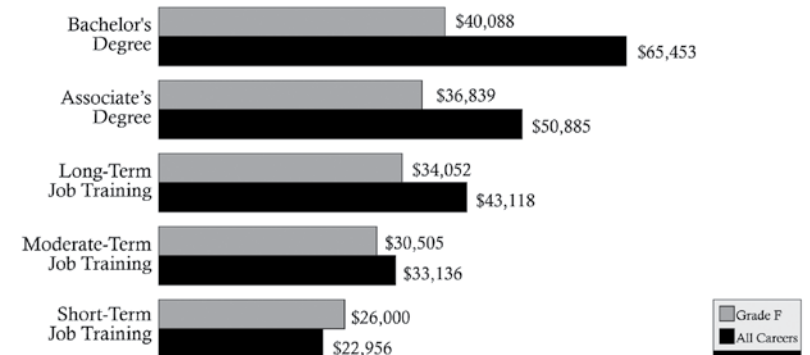
Top Grade F Occupations

Now	Openings	Average Wage
Cooks, Fast Food	1,736	\$16,869
Parts Salespersons	1,657	\$30,424
Order Clerks	1,486	\$25,292
Production Workers, All Other	1,420	\$29,408
Data Entry Keyers	1,346	\$26,395

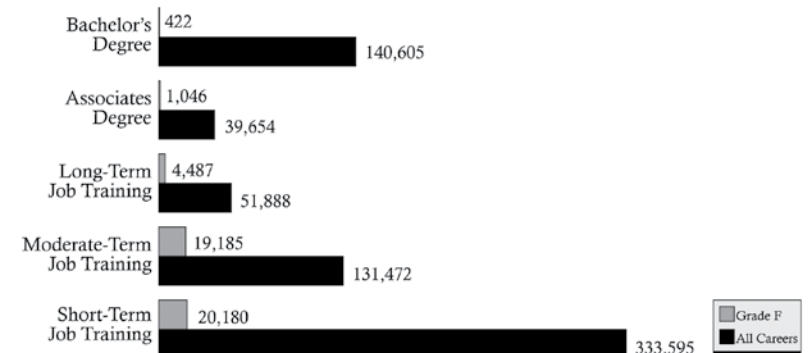
Next	Openings	Average Wage
Cabinetmakers & Bench Carpenters	727	\$28,043
Bakers	703	\$22,323
New Accounts Clerks	630	\$29,672
Welding, Soldering, & Brazing Machine Setters, Operators, & Tenders	465	\$30,018
Radio & Television Announcers	361	\$32,806

Later	Openings	Average Wage
Reporters & Correspondents	309	\$41,925
Legislators	107	\$34,556
Farm & Home Management Advisors	6	\$40,807

Average Annual Wage for Grade F Careers



Total Openings for Grade F Careers



Links:

Annual Credit Report

www.AnnualCreditReport.com

Bankrate

(Compare Credit Cards)

www.bankrate.com

Budget & Goals

www.practicalmoneyskills.com/calculators

FAFSA Frenzy

www.dhe.mo.gov/ppc/fafsa_completion.php

Federal Trade Commission's Scholarship Scams

www.ftc.gov/bcp/edu/microsites/scholarship/index.shtml

Financial Football

www.practicalmoneyskills.com/games/trainingcamp

Financial Literacy Month

www.financialliteracymonth.com

Free Application for Federal Student Aid

www.fafsa.gov

Mapping Your Future

<http://mappingyourfuture.org/>

Missouri Connections

www.missouriconnections.org

Missouri Department of Higher Education

www.dhe.mo.gov

Missouri Economic and Research Information Center

(Top 30 employing occupations in Missouri)

www.missourieconomy.org/OesWage/Default.aspx

(Missouri Career Grades Report)

www.missourieconomy.org/pdfs/2008-18_career_grades.pdf

Missouri Student Aid Programs

www.dhe.mo.gov/ppc/grants

National Foundation for Credit Counseling

www.nfcc.org

National Student Loan Data System

www.nslds.ed.gov

Planning and Paying for College

www.dhe.mo.gov/ppc

Practical Money Skills

www.practicalmoneyskills.com

Savings & Investments

www.practicalmoneyskills.com/calculators

Student Aid on the Web

www.studentaid.ed.gov

The Association of Independent Consumer Credit Counseling Agencies

www.aiccca.org

U.S. Department of Veterans Affairs

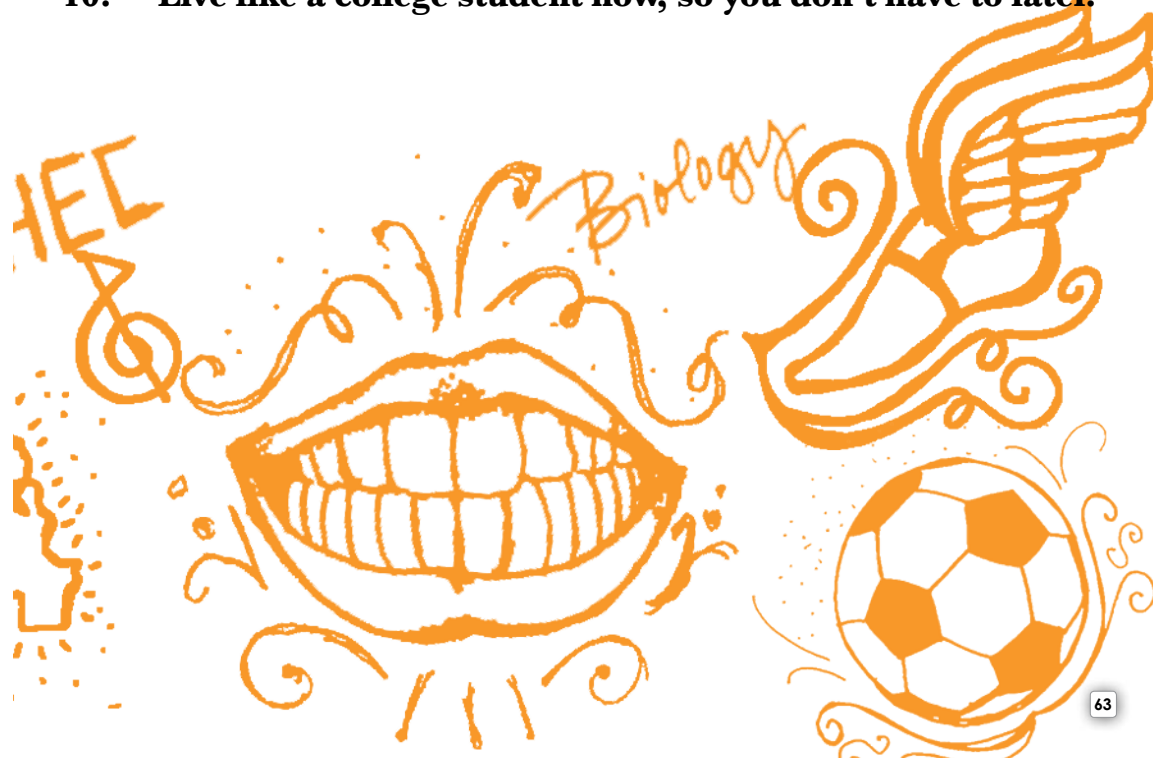
www.va.gov

Yellow Pages

www.yellowpages.com

Top 10 ways to graduate DEBT FREE

1. **Complete the FAFSA annually.**
2. **Qualify for federal grants.**
3. **Research state scholarship and grant programs.**
4. **Apply for institutional scholarships.**
5. **Explore private scholarships.**
6. **Inquire about work programs available on your campus.**
7. **Set up a payment plan for your tuition.**
8. **Secure summer employment.**
9. **Invest in MOST, Missouri's 529 college savings plan.**
10. **Live like a college student now, so you don't have to later.**





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The Missouri Department of Higher Education (MDHE) administers a variety of federal and state grants, scholarships, and financial literacy programs. For more information about student financial assistance, contact the MDHE at 800- 473-6757 or 573- 751-3940.

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